

Opening Statement of the Honorable John Shimkus
Subcommittee on Environment Markup of H.R. 3128
July 17, 2018

(As prepared for delivery)

Good afternoon and welcome to today's Subcommittee markup of H.R. 3128, a bill introduced by Mr. Griffith last year, which clarifies when changes at stationary sources should be subject to the New Source Review preconstruction permitting process.

The legislative text we consider today is substantially similar to the discussion draft we examined in our May legislative hearing, reflecting the technical feedback from EPA and stakeholders. It will be offered as an amendment in the nature of a substitute to H.R. 3128, upon which the text is based.

The New Source Review program is desperately in need of reform. Witnesses have testified that the NSR program is overly complex and is discouraging companies from doing things that we all want them to do, like improving energy efficiency, making incremental pollution control upgrades, and keeping facilities in good working order.

Perhaps the most frustrating aspect of the NSR program is that the regulated community, and even the regulators themselves, are confused about what types of facility upgrades require a company to obtain an NSR permit. In theory, only projects that result in an emissions increase require an NSR permit. However, in practice, we've seen examples where the EPA has issued enforcement actions against companies for making facility upgrades that actually resulted in an emissions decrease, which doesn't make any sense.

An environmental program that discourages companies from carrying out environmentally beneficial projects is an environmental program that needs to be reformed, and that is exactly what Mr. Griffith's legislation does. Today's bill makes the NSR program work better by clarifying that the only types of facility changes that require an NSR permit, are changes that increase a facility's capacity to emit pollutants at a higher hourly rate.

Opponents of NSR reform will claim that this legislation will result in massive pollution increases. This simply is not true.

The legislation applies solely to stationary sources, and it actually removes hurdles to installing pollution control projects. Most important, it does not affect operating permits and other regulatory tools used to set emissions limits at major facilities. Two state air regulators testified before this subcommittee that the Clean Air Act currently provides a range of effective tools and programs to successfully control emissions from existing sources and that nothing in this legislation will change that.

This bill's clarifications in the law will make it easier for companies to invest in, and modernize, existing facilities, leading to a stronger economy and more jobs. For these reasons a wide range of stakeholders have sent letters of support for NSR reform including:

- Multiple labor unions representing the building trades
- National Association of Manufacturers
- National Rural Electric Cooperative Association
- American Public Power Association
- American Forest & Paper Association
- Portland Cement Association
- American Iron and Steel Institute
- National Mining Association
- U.S. Chamber of Commerce
- Pennsylvania Chamber of Business and Industry
- American Energy Alliance
- Citizens for Responsible Energy Solutions

I look forward to voting in favor of this legislation and I urge my colleagues on both sides of the aisle to do the same.